

Financial Services

Labuan International Business and Financial Centre (“IBFC”)’s First Anti-Money Laundering & Counter Terrorism Financing (“AML/CFT”) Compliance Industry Platform

On 15 August 2023, Labuan IBFC officially launched its first AML/CFT compliance platform with the formation of the Labuan Bank Compliance Officers’ Networking Group (“LB-CONG”). LB-CONG will become the dedicated platform for Labuan banking institutions to effectively deliberate on AML/CFT compliance matters and best practices.

The establishment of LB-CONG is the product of a collaboration between Labuan Financial Services Authority (“FSA”) and the Labuan banking sector, represented by the Association of Labuan Banks (“ALB”) and the Labuan Investment Banks Association (“LIBA”). It is envisaged that LB-CONG will be a catalyst for many other partnership opportunities between the Authority and the market in promoting strong AML/CFT compliance culture within Labuan IBFC.

Securities Commission Malaysia (“SC”) Issues Guidelines to Strengthen Technology Risk Management of Capital Market Entities

The SC issued the Guidelines on Technology Risk Management on 1 August 2023. There is no exact date as to when the Guidelines will come into effect, but the SC has announced that it will tentatively be during Q3 2024. The Guidelines will be applicable to all capital market entities licensed, registered, approved, recognised or authorised by the SC.

The Guidelines, formulated pursuant to feedback received from the Public Consultation Paper on The Proposed Regulatory Framework on Technology Risk Management published last year, aims to promote robust and sound technology risk management practices among capital market

Legal Updates

AUGUST 2023

Shearn Delamore & Co
7th Floor

Wisma Hamzah Kwong-Hing,
No 1, Leboh Ampang
50100, Kuala Lumpur, Malaysia

T: 603 2027 2727

F: 603 2078 5625

info@shearndelamore.com

www.shearndelamore.com

www.linkedin.com/company/shearn-delamore-&-co

entities and also sets out the SC's expectations on capital market entities when they manage their technology risk.

The Guidelines are now available on the SC website [here](#), as well as the FAQ [here](#).

Bank Negara Malaysia (“BNM”) issues a new policy document on Credit Risk

On 31 July 2023, BNM issued a new policy document on Credit Risk, which will come into effect on 1 January 2024.

This policy document seeks to ensure that credit risk management practices of financial institutions remain effective moving forward, amid the increased size and diversity of product offerings by financial institutions, greater internationalisation of the financial system, as well as the growing role of domestic capital markets. Financial institutions are required to implement, at the minimum, the standards set out in the policy document.

The policy document can be found on the BNM website [here](#).

CONTACT US FOR FURTHER INFORMATION REGARDING FINANCIAL SERVICES MATTERS.

COPYRIGHT © 2023 SHEARN DELAMORE & CO. ALL RIGHTS RESERVED.

THIS UPDATE IS ISSUED FOR THE INFORMATION OF THE CLIENTS OF THE FIRM AND COVERS LEGAL ISSUES IN A GENERAL WAY. THE CONTENTS ARE NOT INTENDED TO CONSTITUTE ANY ADVICE ON ANY SPECIFIC MATTER AND SHOULD NOT BE RELIED UPON AS A SUBSTITUTE FOR DETAILED LEGAL ADVICE ON SPECIFIC MATTERS OR TRANSACTIONS.